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that an endless series of palliatives and half-measures would take the place of real reforms, even so vigorous a critic of Rumanian institutions as Dobrogeanu-Gherea held that the presence of liberal institutions set Rumania in favorable contrast to tsarist Russia.[31]

In short, while economic and social tensions precipitated the 1907 revolt, the political situation prevented it from becoming more than a social eruption. It remained a revolt and not the initial stage of a revolution.

The Aftermath of 1907

The peasant uprising frightened the rulers of Rumania into attempting some measures of reform. A law on agricultural contracts was designed to protect the peasant by regulating agreements between him and the landlord or tenant, by prohibiting certain forms of rent in labor, by instituting communal grazing lands, and by establishing regional committees to fix agricultural wages and rents. This law was never really applied and quickly fell altogether into disuse. The proprietors preferred informal and unwritten agreements, which the law did not cover, and few peasants dared to demand application of the law for fear of being driven from the estate.[32]

A second law created a state-supported Rural Office to aid in the transfer of land from large properties to the peasants. Up to the beginning of 1912, however, the Rural Office had bought only 76,000 hectares, had divided up 15,000 hectares, and had sold to the peasants only 6,500 hectares.[33] A third law, by limiting the size of leases to 4,000 hectares of cultivable land, attacked the large agricultural trusts held in lease. A fourth law established cooperatives for renting land. It was probably the most successful; between 1908 and 1916 the land rented by the cooperatives increased from 133,000 hectares to 410,000 hectares.[34]

Although these laws were heralded as introducing a new conception into Rumanian life, *socialism de stat*—state intervention on behalf of the peasants—they really provide only examples of Rumanian legislative escapism. They but scratched the surface of the problem and were "fated to disappear without trace in the quicksand of Rumanian public life."[35] The state socialism proclaimed by the Liberals had very little to do with socialism in any Western sense of the term but more closely resembled the paternalistic policies of mercantilism.

31. Dobrogeanu-Gherea, *op. cit.*, p. 46.
32. Ilie S. Diaconescu, *Chestiunea țărănească în Romînia* (Bucarest, 1926), p. 115.
33. *Ibid.*, p. 120.
34. *Ibid.*, p. 124.
35. Mitrany, *op. cit.*, p. 88.

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and the collapse of the Eastern Front, Rumania was in a hopeless military position, and in March, 1918, it sued for peace. The pro-German Alexandru Marghiloman, who had remained behind in Bucarest, was entrusted with a new government. This government dissolved the constituent assembly, and Marghiloman declared that "the whole agrarian problem must be taken up anew from the beginning."

During the brief term of the Marghiloman government, Constantin Garoflid, Minister of Agriculture, introduced a series of agrarian measures: obligatory leases, the reorganization of the Ministry of Agriculture, and the organization of agricultural workers. Garoflid, though a Conservative and a landowner, had long been opposed to the latifundiary system in Rumania and desired to build up a prosperous medium peasantry. He regarded the 1917 amendment as "not a scientific work but an electoral manifesto." Although previously recognizing the need for expropriation, he considered such an extreme measure unsuited to wartime conditions and advocated forced leases of land to the peasants as a temporary solution. Much in Garoflid's program was conducive to a rational development of Rumanian agriculture. He may even have had in mind a progressive series of reforms, but his proposals were open to the criticism that in Rumania a policy advocating such moderation and gradualness most often meant doing nothing at all. His program, however, was not even to be begun.

The collapse of the Central Powers in the autumn of 1918, Rumania's reentry into the war, and the withdrawal of Mackensen's forces again reversed the situation. The Marghiloman government was dismissed and its laws declared null and void. With the breakdown of the Central Powers, chaos spread through eastern Europe. Revolutionary conditions prevailed in Russia, Austria, Hungary, and Bulgaria. In Rumania a dry year, combined with the dislocations caused by the war and the German occupation, left the peasants hard pressed for food. The action of the Marghiloman government in dissolving the constituent assembly had increased their doubts in the good faith of any government. Tension was heightened by the revolutionary activity among the Rumanians in the neighboring regions of Transylvania, Bucovina, and Bessarabia, which had been or were shortly to be incorporated in Greater Rumania.

The Agrarian Reforms of 1918–21

Immediately after the armistice, on November 12, 1918, King Ferdinand issued a new proclamation reaffirming his pledge of 1917.

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Under the pressure of events the government did not bother to follow the formalities prescribed in the 1917 amendment but quickly drafted a decree-law, to be ratified subsequently by the parliament. This decree-law of December 15, 1918, laid down the norms under which land was immediately to be expropriated. Some of the leading provisions were as follows: [5]

a) As in the constitutional amendment, arable crown and mortmain land as well as foreign and absentee properties were completely expropriated.

b) The amount of 2,000,000 hectares was to be expropriated on a sliding scale from private properties of over 100 hectares. This rather arbitrary scale did represent an advance upon the 1917 amendment in limiting all properties to 500 hectares, but it made no provision for geographical differences, relative land hunger, or rational organization of estates. The law based the expropriation on properties rather than on proprietorship, to the benefit of the landowner with multiple holdings. Moreover, the relation between the scale of expropriation and the 2,000,000 hectares to be obtained was not accurately computed, and the expropriation actually fell short by some 450,000 hectares.

c) Compensation for expropriated land was to be based on a number of factors: price of sale in the region for five years prior to 1916, regional level of rent, evaluation by credit institutions, net income per hectares, etc., but was not to exceed twenty times the regional rental rate. Payments to proprietors were to be made by 5 per cent state bonds, redeemable in fifty years. The state was to contribute up to 35 per cent of the cost.

d) Peasant associations were to be created to serve as temporary recipients of the transferred land. The law went into little detail as regards resettlement, which was covered later by the law of 1921.

Ion I. C. Brătianu, who had headed the government on December 14, 1918, resigned on September 27, 1919, in a dispute with the Allies on the peace settlement. King Ferdinand accepted the resignation and formed a nonparty cabinet under General Vaitoianu to hold a general election. This election, virtually the first to be uncontrolled in Rumanian history, produced surprising results. The Liberals lost most of their seats in the Old Kingdom, and after some delay a bloc made up of the newly formed Peasant party and the National party of Transylvania assumed office.

During its brief term this government, with the Transylvanian Vaida-Voevod as Premier and Ion Mihalache as Minister of Agricul-

5. Full summaries of this and the subsequent agrarian law of 1921 are given in Vlaccoseca, *op. cit.*, pp. 146-204, and Mitrany, *op. cit.*, pp. 111-182.

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665 433 covered by this law were permitted to purchase public land at a discount, were exempted from duties on imported machinery, and received reduced transportation rates and cheap fuel. In 1923 the Liberals introduced a National Industrial Credit Association for the purpose of granting credit to manufacturers and of encouraging industrial development; the government owned 20 per cent of its stock, the National Bank 30 per cent, and private investors 50 per cent. Tariffs, as has been mentioned, were designed to protect industry from foreign competitors.

665 656 In their industrial activities the Liberals most clearly demonstrated their suspicion of foreign capital. This suspicion was nothing new. In the 1890's the Liberals, then in opposition, had led a successful campaign against granting concessions to the Standard Oil-Diskonto Gesellschaft consortium.[46] In the 1920's they maintained they were not hostile to foreign capital but would not be dominated by it. In 1923 Vintilă Brătianu protested to a foreign correspondent:

> It would be madness to suppose that we can develop the country without the help of foreign capital. We need it in every form to develop mineral resources, water power, and industry. We also require things which must be paid for in foreign money. But we want this capital to operate within the lines of a general policy which is approved of by the state and which accords to the interests of the country. We do not want the type of investor who comes to exploit the country simply to make money, but one who has a feeling for our national evolution and keeps our interests at heart. We want to be treated as an adult and not as a minor.[47]

[671] Nevertheless, the Brătianus were accused both by the opposition in Rumania and by foreign investors of being economic xenophobes. The accusations are based largely on a series of four "nationalization" laws passed in 1924:[48] a law for the commercial exploitation of state enterprises (June 6, 1924), laws on water power (June 23) and other sources of energy (July 1), and a mining law (July 3).

These laws, which covered a wide range of industrial activities—hydroelectric power, natural gas, petroleum, mines, railroads, river navigation, postal services, telephones and telegraphs, and government monopolies—had generally the same provisions. Invested foreign capital in the enterprises could not exceed 40 per cent; the remaining 60 per cent was to be covered by state and private Rumanian

46. C. G. Rommenhöller, *Grosz-Rumänien* (Berlin, 1926), p. 434.
47. *Times* (London), May 19, 1923.
48. A French text of these four laws is given in *L'Economiste roumain*, Nos. 2-6 (1924).

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capital. At least three-fourths of the personnel and two-thirds of the boards of directors were to be Rumanians. Since the subsoil had been nationalized under the constitution, all mines and oil wells were in the form of concessions which would ultimately revert without indemnity to the state, although existing enterprises were to be guaranteed their holdings for a period of fifty years. Because of its importance to the oil industry, the mining law created the greatest stir and the most complaint from foreign investors.

The Liberals' suspicion of foreign capital was not altogether groundless; pre-1914 foreign investments in the Balkans, while of vital importance to their development, were entangled in the play of power politics. In view of subsequent actions in other states and in Rumania itself, the 1924 laws must be considered as quite mild. But at the time they were regarded as inhospitable and evoked formal protests from abroad and lavish criticism at home. Essentially, however, the question was not whether the Liberals were justified in their suspicions nor whether the opposition was right in charging the Liberals with personal greed, but whether Rumania was in a position at that time to develop at the desired rate without the benefit of foreign capital. From the subsequent turn of events it would appear it was not. The limitation of foreign capital, together with the stringent monetary policy and the impediments to agriculture united in stifling the economy. When the People's party took office in 1926 it promised better relations with foreign capital, and when the Brătianus returned in 1927 their tone underwent a change. Foreign observers spoke of Vintilă Brătianu's more cooperative attitude, and *L'Économiste roumain*, his faithful echo, wrote hopefully of increased foreign interest in Rumanian enterprises.

4. AGRARIAN POLICY

The general economic program of the Liberals did not make for a constructive agrarian policy. Not only was agriculture relegated to second place in the attentions of the administration but several of the courses pursued were directly inimical to it. The encouragement of industry was at the expense of agriculture; the commercial and financial policy impeded the rehabilitation of farming after the war and the dislocations of the agrarian reform.

Of course, many of agriculture's woes were not the fault of the Liberal policy. As has been seen in the preceding chapter, the underlying sources of the agrarian problem are numerous and deep-rooted. Rumania, for all its natural resources, was a poor country and no government could have established a flourishing peasantry overnight.

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in the way of concrete benefits. Liberal agrarian policy can be divided under two heads: measures taken in supplementing or amending the agrarian reforms and measures for the improvement of agriculture.

Of the land reforms, only that for Transylvania had provided for the expropriation of forest land. Article 132 of the 1923 Constitution approved the principle of expropriating forest land in the Old Kingdom, Bessarabia, and Bucovina for firewood and construction purposes. The law implementing this article was published on July 1, 1924. Where woodland was needed and was not available from state holdings, it could be expropriated from private owners leaving them a minimum of 100 hectares. Communal woodlands were to be created, the exploitation of which was to be under the control of the state.[54]

By the law of March 18, 1925, and the executive regulation of April 15, which abrogated Articles 120–124 of the 1921 law, the Liberals, to safeguard peasant holdings, considerably stiffened requirements for the sale and purchase of agricultural property. The state was given the right of preemption on lands received not only under the 1918–21 reforms but under earlier distributions of state domain. If this right were not exerted, purchases could be made only on the following conditions:

1. The purchaser was to be a Rumanian citizen, a cultivator of the land or a graduate of an agricultural school, and residing and working in the commune in which the holding was situated.

2. Holdings could be sold in minimum blocs of 2 hectares in the plains and 1 hectare in the hills.

3. Sales could be made only five years after their owner had received definite title to his property following full payment of its price.

4. The purchaser could not own more than 25 hectares of cultivated land, including the area to be purchased. Houses and gardens, up to one hectare, could not be mortgaged or sold; land up to 25 hectares could be mortgaged only to certain authorized institutions.

The detailed instructions in the accompanying administrative regulation made the act of sale quite complicated by requiring numerous forms, proofs of domicile, and evidence of proper ownership. While the Liberals did not make peasant land inalienable they did render the process of transfer slower and more difficult and extended the state's rights of preemption to a large proportion of peasant properties. This law was in harmony with the tight-laced spirit of the Liberals in 1924–25 and showed the same restrictive view of property as the mining law of 1924. Historically, the reversion toward inalien-

54. See Discorescu, *Chestiunea țărănească în România*, pp. 266–272, for analysis of the text of the law.

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ability was an aftermath of nearly all the land reform measures. It is characteristic of the liberalism of the Liberal party that it should have feared—though perhaps correctly—the consequences of free and uninhibited sales of land.[55]

The Liberals, in the law of April 14, 1925, instituted chambers of agriculture, modeled on the chambers of commerce, and united in a Union of Chambers of Agriculture. At first sight these organs appeared to have very important functions: to be the official representatives of agricultural interests, to give advice on agricultural legislation, to supervise agricultural schools, to collaborate with the administration in the application of laws, to improve livestock, to aid in the advancement of agricultural techniques, to prepare statistics, and to organize fairs. They were also to elect members to the senate.

Unhappily, the chambers accomplished very little. Their budgets depended upon the Ministry of Agriculture, and they were not supplied with sufficient funds to carry out the work delegated to them.[56] They were not even representative of the whole of the peasantry. Each chamber was composed of 17 elected members and 11 appointed functionaries. But since only proprietors with a minimum of 3 hectares of arable land, or tenants with 10 hectares were permitted to vote for members, a large percentage of the poor peasants was not represented at all.[57] (In 1930, 52 per cent of the peasant farms were of less than 3 hectares.) Worst of all, the chambers, with their right to elect senators, became hopelessly entangled in politics. Under the law creating them, the government could dissolve the chambers for serious irregularities or bad faith in the accomplishment of their legal work or for activities against the interests of the state. Inevitably, the chambers were repeatedly dissolved on any pretext for the purpose of facilitating the election of senators.

In May, 1928, the Liberals passed a law for the classification of cereals, designed to improve the quality of grain destined for export and to reduce the number of middlemen between producer and foreign consumer. There had been frequent complaints of the inferior quality of exported Rumanian grain and the presence of an excessive amount

55. In 1911 the Liberal program has spoken of the desirability of creating a medium property by natural selection, that is, by the purchase and sale of land. The 1924 law certainly represents a retreat from that position. On the other hand, as will be seen below, the National Peasants revised the 1925 law, for the purpose of permitting "natural selection," but with unfortunate results for the poorer peasants.

56. P. E. Manolion, *La Reconstruction économique et financière de la Roumanie et les partis politiques* (Paris, 1931), p. 159.

57. Filip Chefner, "Camerile agricole in Romînia," *M.A.B.: Bulletin du Bureau International Agraire*, 8 (1926), 36.

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of impurities. An improvement was undoubtedly desirable. Yet the low quality of exported grain was but a symptom of the generally bad condition of agriculture. Attacking the problem at the level of exports was indicative of the Liberals' attitude. The opposition sharply criticized the law as missing the point: "We are not suffering from a commercial crisis," said Mihalache, "but from a crisis of production. The problem of production must be solved first." [58]

In July, 1928, shortly before the Liberals fell they passed a cooperative code which had little effect except to reorganize previous cooperative organizations and to increase the direct control of the state. On the whole, as has been mentioned, the cooperative movement was and remained weak and ineffectual. In 1923–24 the National Bank granted 600 millions of lei credit to the whole of the cooperative movement, whereas private bankers received 7,500 millions.

A "battle for production" was inaugurated in 1928 by the Minister of Agriculture, Argetoianu, and in March an agricultural congress voted a resolution which is striking in its complete emphasis upon technical improvements: better seeds, more rational crop rotation, more fertilizers, the expansion of experimental stations. The resolution opposed a further extension of the area under wheat and recommended an effort to raise the output per hectare. In no case, however, did it penetrate to the level of agrarian reforms, as defined in the preceding chapter, but was wholly occupied with desiderata, which were simple enough to call for but very difficult to achieve.

These final efforts of 1928 were, however, of little import, as they were in large part a belated effort to meet the challenge of the opposition which was on the point of coming to power.

It is not easy to judge the successes and failures of the Liberals' economic policy. It seemed easier immediately after their defeat to see their errors and particularly their shortcomings in the agrarian question. But with the failure of subsequent administrations to improve agriculture or to provide a stable economy the nature of the Liberal failure becomes less obvious. Moreover, many of the economic practices of the Brătianus, regarded as heretical at the time, have become generalized not only in the Balkans but throughout Europe; state-supported industrialization has become a commonplace and has received a substantial body of theoretical justification. Yet with all these added qualifications, it may be concluded that the Liberal policy failed.

58. Quoted in Mitrany, *op. cit.*, p. 452.

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through the agrarian reforms.[45] The new law, which was designed to facilitate the transfer of land and to further a "process of selection among the peasant cultivators," abolished certain of the restrictions and delays imposed by the Liberals and greatly simplified the procedure of sale, although maintaining safeguards to keep land in the hands of actual cultivators and limiting purchases to Rumanian citizens having not over 25 hectares of land.

The idea that a "process of selection" would enable peasants with "superior competitive efficiency" to create prosperous holdings has had considerable popularity not only in Rumania but in other eastern European states.[46] For such a process to have beneficial consequences, however, it is necessary, first, that superior efficiency on tiny holdings will actually result in sufficient capital accumulation to buy out less efficient peasants, and, second, that the peasants displaced in the process have some alternative means of employment. Otherwise the poorer peasants would be reduced to a landless proletariat and the land taken over by the wealthier peasants. Such seems to have been the effect of the National Peasants' law, although it was not the sole cause; the survey of sixty Rumanian villages made in 1938 reported that the law of 1929 had intensified the differentiation in the peasantry by building up the category of middle peasants on the one hand and of increasing the agricultural proletariat on the other.[47] It was this law perhaps more than any other single act which gave

45. See above, p. 125.

46. Wilbert E. Moore, *Economic Demography of Eastern and Southern Europe*, p. 106, cites a Greek author (C. Evelpedis, *La Réforme agraire en Grèce*, Athens, 1926), as an advocate of this view. In Rumania the alienation of peasant property has had a tangled political history in which at one time or another almost all political parties have reversed their positions. Up to the 1918–21 reforms, official policy tended toward inalienability, whereas the older reformers, such as Dobrogeanu-Gherea and Garofid, demanded alienation as a necessary step to creating an independent peasantry. The Liberals in 1911 came out for a "process of selection," but in 1925 they restricted the transfer of land. The Peasant party, on the contrary, in 1921 was for government control of all sales, whereas in 1929 it moved toward freer purchase. The Communists, it may be added, roundly condemned the National Peasants for their 1929 law, but Lenin, in his agrarian writings before the Russian revolution, was strongly for alienation. The Communist position is seen in Pătrăşcanu's interpretation of the 1929 law: "From the point of view of opening a way for capitalism in the villages and of differentiation within the rural strata, the measure represented an advance in comparison with the past. But what was the cost of this progress? The land of the poorest and economically most feeble layers of the peasants quickly became the principal object, the prey on which urban banking capital and the village bourgeoisie threw themselves." Lucreţiu Pătrăşcanu, *Sous trois dictatures* (Paris, 1946), p. 106.

47. *60 Sate româneşti*, II, 6. The depression doubtless intensified this effect. During the 1946 famine in Moldavia the same thing occurred: peasants who had obtained land under the 1945 reform began to sell to the larger peasants at such a rate that the government was obliged to pass a law nullifying these sales.

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656 rise to the charge that the National Peasants really represented the
665 richer peasants and the village bourgeoisie.[48]
671 A similar attitude appears in the other principal agrarian measures of the National Peasants; the law for the organization of cooperation, of March 28, 1929, and the law for the organization of rural mortgages and agricultural credit of July 29, 1929. These laws were acclaimed at the time as proof of the government's concern for the peasant, but they need not be considered in great detail here.[49] Laws for credit and cooperation are hardy perennials in Rumanian legislative history, but none of them appears to have accomplished much. These particular laws were quickly blighted by the onset of the depression.

474 The law for the organization of cooperation abrogated the act passed by the Liberal government in July, 1928, which the National Peasants thought gave the state too much control over the cooperative movement. The new code was designed to broaden the legal frame "to offer the cooperatives the freedom of movement which every economic enterprise needs if it is to develop in the present economic world." [50] Notwithstanding this effort to assure greater autonomy and independence, a foreign observer concluded in 1930 that even the new regime had not abandoned the idea that the cooperatives were a government maid of all work.[51] The real difficulty, as has been mentioned before, was that the poor peasant, that is, the average Rumanian, had very little to offer in a cooperative movement. Until the level of the peasantry was raised above the margin of subsistence, the cooperative movement was bound to be a name rather than a reality and to be altogether dependent upon the state for financial support and direction.

452 The law for the organization of rural mortgages and agricultural credit was intended to improve the channels supplying credit to agriculture, which had been seriously undernourished during the Liberal

48. This charge is given some weight when one considers Madgearu's remark, made in 1930: "With farms of medium size, limited to 25 hectares, the agricultural credit granted will be used in a more economical way and will bear fruit in a degree hitherto unknown in our agrarian organization." *Rumania's New Economic Policy*, p. 11. In a country where 75 per cent of all agricultural holdings were under 5 hectares, and 92 per cent under 10 hectares, reference to farms of medium size could have only an extremely limited application.

49. Analyses of the law for the organization of cooperatives may be found in Mitrany, *The Land and the Peasant in Rumania*, pp. 409–411, and in F. E. Manoilov, *La Réconstruction économique et financière de la Roumanie et les partis politiques*, pp. 236–237, and of the law for the reorganization of agricultural credit in Manoilov, pp. 239–243.

50. From the exposé de motifs, cited in Mitrany, *op. cit.*, p. 409.

51. "Rumania: The State as Co-operator," *Yearbook of Agricultural Co-operation, 1930*, pp. 404–428.

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regime. New institutions were set up to provide credit suitable to agriculture's particular wants. It was hoped that these would stimulate the influx of foreign capital "to satisfy the needs of agricultural financing." [52] In its form the new law was better adjusted to the needs of agriculture, but the depression completely halted the desired flow of capital. It may be doubted if this law was of primary benefit to the poor peasant, who was of necessity a bad risk and whose impoverished condition prevented him from employing credit profitably.[53]

In addition to these financial measures, the National Peasants passed acts for the organization and reform of agricultural instruction intended to spread and popularize better agricultural techniques and to prevent trained agriculturalists from being completely absorbed by the bureaucracy; a law of July, 1929, for the reclamation of the inundated region of the Danube; measures for leasing agricultural machinery to cultivators and developing seed selection stations; and a law to promote systematic colonization in areas of sparse population. These measures, while desirable in themselves, could be of only marginal benefit.

Although the National Peasants' concern with agriculture is shown by the fact that the budget of the Ministry of Agriculture in 1929 was double that of any of the preceding postwar years,[54] the general results are somewhat flat and uninspiring. According to Madgearu ten years later, the National Peasants, because of the difficult circumstances under which they had received the stabilization loan and because of the increasingly unfavorable international economic situation, had been unable to carry out all their financial plans but had been forced to limit themselves to certain priority tasks: assuring the liquidity of the National Bank's portfolio, liquidating the state's floating debt, reconstructing the railways, and making certain productive investments. "The necessary means were lacking to create an agricultural mortgage bank." [55]

Doubtless, financial difficulties and the lack of capital were important obstacles, and the depression washed away what might have been promising beginnings toward improvement in agricultural finan-

52. Madgearu, *Rumania's New Economic Policy*, p. 9.

53. Manoilesco, *op. cit.*, p. 242, was of the opinion that certain measures of inspection and control, included in the law to safeguard the credit societies, would have the effect of discouraging the small cultivator and diminishing his productive efforts.

54. According to Mitrany, *op. cit.*, p. 488, after the First World War the budget of the Ministry of Agriculture had not exceeded 22,500,000 gold lei until the advent of the National Peasants. In 1929 it reached the figure of 73,500,000 gold lei.

55. Madgearu, *Evoluția economiei românești*, p. 306.

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cial organization. But the agrarian policy had other defects. In the first place, the National Peasants fell into the old Rumanian fallacy of counting too greatly upon an act of legislation to cure any problem.[56] Much more serious however was the fact that while the National Peasants had an agrarian policy it was scarcely a peasant policy. The measures actually taken were not of the kind that could greatly help the poor peasant. The modifications of the party programs between 1921 and 1926 foreshadowed this attitude, but even so the more far-reaching parts of the 1926 program were not carried out.

Measures intended to benefit agriculture were not, however, limited to agricultural legislation. The new tariff policy inaugurated by the National Peasants on August 1, 1929, was specifically designed to assist the farmer. The National Peasants had consistently attacked the Liberals' (and the People's party's) tariff policy, which was highly protectionist, raised the cost of agricultural equipment, and was "in its technical structure a feeble instrument of negotiation for securing markets for our export products." [57] The new tariff was, as Madgearu announced, based on the recommendations of the Geneva Conference of 1927. It created a more elastic customs system to permit commercial conventions with other states. Duties on goods were divided into two groups: 1) irreducible minimum duties for goods produced within the country and requiring protection; these could not be reduced through convention; 2) duties on all other articles, which could be reduced through mutual arrangement with other states. Even before signing any customs conventions the government reduced the duties on agricultural equipment.

In thus lowering the cost of imported agricultural equipment as well as in reducing tariffs on articles of mass consumption, the 1929 tariff undoubtedly benefited the peasant. As to the protection of industry, "it was in general calculated so as not to exceed the difference by which the conditions of local production were more difficult than conditions of foreign production, and only for branches of industry which had the possibility of sound development in the country." [58] The tariffs did not renounce industrial protection but tried

56. Note, for example, Madgearu's remark, "Up to 1929 agricultural instruction in Rumania was based on no uniform principle, nor was it adapted to the situation, since its organization was not based on legislation which could solve the problem as a whole." *Rumania's New Economic Policy*, p. 12. Clearly the real reasons for Rumania's lack of adequate agricultural education were not to be found in the absence of a uniform legal code.

57. Madgearu, *Ibid.*, p. 89.

58. Madgearu, *Evoluția economiei românești*, p. 221.

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serve as a clearing house to establish common ties and to exchange information.[65] In its general lines it represented an attempt to defend the eastern European peasantry against the more highly organized forces of industrialism and the dynamic inroads of Soviet communism.

In 1926 and 1927 the Rumanian and Finnish Peasant parties joined the Green International. There were no real meetings until 1928, when the bureau was formally constituted. After that annual congresses were held until the movement was engulfed by the depression and the political storms of the 1930's. Eventually it came to include peasant parties from Czechoslovakia, Bulgaria, Yugoslavia, Rumania, Austria, Switzerland, Poland, France, the three Baltic states, and Finland. Although Mihalache had spoken of the rising peasant tide in eastern Europe, and Madgearu and Lupu contributed articles to the later issues of the bulletin of the Green International, it appears to have had no effect upon the course of internal Rumanian politics, and the Rumanians were among the less active members of the bureau.

A far more active, though in its aim unsuccessful, international effort was the agrarian bloc of eastern European states, in which Madgearu played a prominent part. This bloc had its origins in the growing agricultural crisis of 1930. The failure to obtain any favorable action at the first preliminary international conference for concerted economic action (held in Geneva, February 17 to March 24, 1930) led some of the agrarian states of eastern Europe, with the Little Entente at the core, to act together in defense of their interests. A series of conferences at Strbske Pleso, Bucarest, and Warsaw during the summer of 1930 were attended by representatives from Bulgaria, Estonia, Hungary, Latvia, Poland, Czechoslovakia, Yugoslavia, and Rumania. The attempt was made to coordinte the economic policy of the members of the bloc and to obtain better commercial conditions from the industrial states. The failure of the bloc to achieve its aims belongs, however, in the more general framework of the depression.[66]

The economic, agrarian, and administrative policy of the National Peasants in 1929 and 1930 has definite homogeneity. A prevailing emphasis upon decentralization and autonomy appears in the administrative reform, in the laws for mines and state enterprises, in the reorganisation of the cooperatives. An attempt to relax restric-

65. Karl Meilr, "Le Bureau International Agraire," *M.A.B.: Bulletin du Bureau International Agraire*, 1 (1926), 26-29.

66. See below, pp. 184-185.

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tions and to permit a natural circulation is seen in the abolition of the censorship and state of siege, in the 1929 tariff, in the law permitting the free sale and purchase of peasant property. A friendly attitude toward foreign capital appears in all the laws on trade and the exploitation of natural resources and in the important concessions granted to foreign firms. Finally, a concern for agriculture is shown not merely in the agrarian laws but in the tariff and financial policy. While many of these measures failed to produce the anticipated results, and some were applied inefficiently, still, taken together, they constitute a recognizable policy and one quite different from that pursued by the Liberals. The conflict between the National Peasants and the Liberals was not merely a struggle for office and a place at the feeding trough, although it is not difficult to cite instances where *mirosul fripturei* ("the fragrance of the roast joint") played an important part.

Two questions, however, must be answered. Was it a peasant program? Was it adequate to the economic needs of Rumania, and in particular did it provide a solution to the agrarian question?

From the preceding discussion of the development of the party's ideology, its modifications of program, and its actual policy there can be little doubt that the National Peasant government was not very "peasantist" either in its composition or in its activities. That is not to say that the National Peasants lacked an agrarian program or that they were indifferent to the peasant; certainly the party regarded itself as the spokesman of the peasantry. But in the course of the party's evolution, from its inception after the war to its arrival in power, a significant change had taken place. Perhaps it was mostly a change in emphasis. Initially as was so well shown in Mihalache's speeches, which are more representative than Stere's more sophisticated arguments, stress was upon the peasant and upon the measures which should be taken to improve his condition. When the party came to power, the chief concern was for greater political democracy and more economic liberty, from which the peasant was to benefit. To some extent this shift showed the influence of the Transylvanians with their middle-class and professional interests, but the Peasant party itself had gone a long way in this direction. Moreover, this change was quite natural, given the passage of time and the subsiding of social ferment. But if such a change was natural, it was also dangerous: in Rumania, if the peasant did not command first attention it was too easy for him not to be taken into consideration at all.

The most important reason for this change, and it has been a fatal defect of most peasant parties, is that a purely peasant movement

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and Rumania as agricultural exporter. The average price per metric ton of Rumanian exports fell in 1934 by 62 per cent of its 1922–30 average, whereas the price of imports fell by only 38 per cent in 1936. Internally agricultural prices dropped to 44 per cent of the 1929 level, industrial prices to 62 per cent.[9] The situation was further aggravated by the inauguration at this time of an agrarian protectionist policy by the European industrial states. After 1928 Germany introduced high agricultural tariffs; Italian grain and flour duties reached prohibitive levels between 1929 and 1931; France imposed heavy tariffs on cereals.

In May, 1931, the failure of the Austrian Kredit-Anstalt unleashed the financial crisis which swept across Europe and ended the flow of foreign capital to Rumania. Inevitably, the fall in grain prices, the disappearance of foreign markets for agricultural produce, and the stoppage of foreign credit had a disastrous effect upon the Rumanian economy. State finances, never on a very steady foundation, and having just been reorganized in 1929, were hit by the decline in revenues (direct taxes dropped from 8.6 billion lei in 1930 to 3.4 in 1933), and there was a budget deficit each year between 1930 and 1934.[10]

One peculiarity should be observed in the Rumanian depression. In several respects Rumania was in a better position than the other Balkan states. Because of a series of good harvests in 1929, 1930, and 1931, and because of petroleum exports, it was able to maintain a considerably better balance of trade. Moreover, because of the acquisition of a good deal of foreign capital in the loans of 1929

9. Madgearu, *Evoluția economiei românești*, p. 90, and *Bréviaire Statistique de la Roumanie* (Bucarest, 1940), p. 258:

	Wholesale agricultural prices	*Industrial prices*	*Prices of industrial products required by agriculture*
1929	100	100	100
1930	68.2	93.9	98
1931	50.8	72.0	88.6
1932	47.7	63.3	89.9
1933	44.9	63.2	91.1
1934	44.1	63.4	92.6
1935	48.4	73.2	90.2

10. As a matter of fact, a budgetary deficit in Rumania is a very relative term; many of the so-called budget surpluses of the 1920's were quite fictitious. See Ludovic Iavorschi, *L'Equilibre budgetaire en Roumanie de 1919 à 1932* (Paris, 1933). I doubt if the budget deficits can in any way be regarded as a planned attempt to counter the depression, since all the governments promised balanced budgets and the deficit appeared as the result of altogether undirected and uncontrolled expenditures through a number of channels.

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439 656 and 1931, Rumania was somewhat less pressed financially than the other states, and was indeed the last of the Balkan countries to introduce foreign exchange controls and to declare a partial moratorium on foreign debts.[11]

652 Nevertheless, Rumania was the slowest to show signs of recovery, an indication that something in addition to the general causes for the depression was having an effect. Such was the opinion of the French foreign advisers to the Rumanian National Bank, MM. Rist and Auboin. According to Auboin, in his report of 1935, a distinction should be drawn between the causes of disequilibrium arising from the world crisis and those proper to Rumania itself. In his opinion the first were predominant between 1929 and 1932 in the fall in prices and the disruption of international credit. But local causes became manifest, especially after 1932, despite a certain easing of international conditions. The two principal evils, in his view, were the weaknesses in the whole Rumanian credit system and the unstable budget position, both of which had afflicted Rumania since the First World War. As a financial adviser he was particularly indignant that the Rumanian government should try to enjoy all the benefits and amenities of a modern state through its expenditures but should still rely upon primitive means of organizing state finances: "It is necessary to adopt and apply not merely the methods of expenditure but also the methods of receipt of modern states."[12]

The fall in prices and the reduction of credit presented the Rumanian peasant with a serious debt load which he was in no position to discharge. The advocates of small peasant agriculture have contended that one of the principal advantages of this form of cultivation was the peasant's resistance to crises through his ability to cut expenses, reduce his relations to the market, and live on his own. It is true that debts contracted for agricultural investment were quite small in Rumania as compared with other European states.[13] Never-

11. Rumania introduced exchange controls on February 27, 1932; Hungary, Czechoslovakia, Yugoslavia, Austria, Bulgaria, and Greece had introduced them between August and October, 1931. Rumania declared a partial moratorium in January, 1933; Greece, Bulgaria, and Yugoslavia had done so in 1932.

12. Roger Auboin, *Rapport annuel sur la situation financière et monétaire de la Roumanie* (Bucarest, 1935), p. 36. Auboin was primarily concerned with Rumania's ability to honor its foreign obligations, and hence stressed the need of tightening state finances and creating a sound budget, perhaps at the expense of local requirements. Nevertheless, his, and Rist's, reports are devastating in their picture of the irresponsibility of Rumanian financial administration, its slovenliness, and tendency to make increasingly complex and meaningless regulations.

13. Comparative figures in the International Institute of Agriculture's *Farm Accountancy Statistics for 1928-29* (Rome, 1933), show very little investment and very little debt for Rumanian farms as contrasted with those of other European states. These

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partly because the plans required large sums of liquid capital, which 652
was not on hand.

The Mironescu National Peasant government attempted to improve the situation from the credit side. It undertook negotiations in Paris for an agricultural loan to provide for the establishment of an agricultural mortgage bank, a long-cherished aim of the National Peasants who hoped to facilitate thereby the transfer of agricultural debts into long-term obligations less onerous as to time of payment and rate of interest. Eventually agreement was reached on a second development loan, modeled after that of 1929, of 1.3 billion francs, of which 200 million was to go to the creation of the Agricultural Mortgage Institute and the remainder for railway, roads, and Treasury working capital. The loan met with much local criticism; there was general resentment at the continuation of foreign financial supervision which it entailed; the director of the National Bank fought the loan so stubbornly that the government was obliged to dismiss him; Titulescu and Argetoianu opposed the whole idea of borrowing foreign capital for a land bank at a time when such an institute could be only a palliative for the agricultural crisis. Indeed, the *Credit Agricol Ipoteca* was formed on the eve of the credit crisis which hit Europe in 1931.

In a final flurry of legislation, just before its fall, the Mironescu [65L] ●
government passed two other measures designed to improve agricultural credit: a law to keep down the interest rate of agricultural credit institutions and a law against usury, prohibiting exaggerated rates of interest by private lenders. These laws, which were in the spirit of the National Peasant program, were altogether inadequate. The credit problem in Rumania was not to be solved by attempting to prohibit what was a secondary symptom. Like much Rumanian legislation, they were an effort to improve the weather by adjusting the dial on the barometer. Furthermore, they did not touch the question of the existing agricultural debt load which was becoming unsupportable.

In December, 1931, the chamber, with all major parties concurring, voted a moratorium for agricultural debts. From 1932 to 1934 appeared a series of laws for the relief of agricultural indebtedness. These laws, passed by successive governments in turn, were in part political measures and in part concessions progressively extorted by the deepening depression. As at the time of the land reforms of 1917–21, political competition plus popular pressure forced the parties toward more and more extensive measures. No party dared

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industrial states naturally stimulated Rumania, as it did the other Balkan states, to create its own industries. The growing international tension in the 1930's led to a heavy demand for arms and munitions. In 1937 the president of the Rumanian union of metallurgical and mineral industries stated that the principal characteristic of the years of recovery had been the large industrial investments, especially for the purpose of creating a powerful armaments industry.[27]

But if the depression and the demand for armaments stimulated industrialization, they in turn assisted in the rise of very powerful industrial interests, which progressively dominated not only the economic but the political scene.[28] These years witnessed the rise of such industrial giants—giants at least in Rumania—as Max Auşnit and Nicolae Malaxa. These men represented a different type of influence from that of the Brătianus. The latter, through their position in the banks, had equated the Liberal party with a policy of industrial advance through the financial institutions, but they were primarily politicians. Auşnit and Malaxa, on the other hand, were primarily industrialists who were able political manipulators but whose field of action was outside the political arena. It might be added that King Carol himself, who operated "outside" politics, was by no means disinterested in industrialization and had a large personal stake in the new industries.[29]

Rumanian industries, and especially the new heavy industry, required both protection and capital. Industrial protection had marked the whole history of Rumanian tariff policy, and even the National Peasant tariff of 1929 did not renounce it. But the new devices, developed as defenses during the depression, became far more potent weapons than any which had existed heretofore. Indeed, they were far more effective in assisting industry than in fulfilling their ostensible function of safeguarding national finances and the currency.[30]

27. Quoted in Fătrăşcanu, *op. cit.*, p. 36.

28. An example is the Skoda scandal of 1935, in which a storm was raised over a contract for armaments made by the National Peasants with the Czech Skoda works in 1930. Although an effort was made to involve some National Peasant ministers in charges of graft, the real cause of the scandal appears to have been that the contract had been made "without regard for the law concerning national armament activity."

29. For obvious reasons it is difficult to ascertain the extent of Carol's industrial interests. According to Fătrăşcanu (*op. cit.*, p. 48), in published reports of enterprises in which he was a shareholder Carol held 20 to 25 per cent of the shares of the Malaxa works, and almost as much in several smaller industries. Four of the largest sugar mills were in his hands, as well as a beer factory. He had important shares in the gold mines and the telephone company and a large control of Banca de Credit Romăn.

30. Rumania's exchange position and the leu never achieved any stability despite the most elaborate series of measures. I would agree with Antonin Basch's conclusion (*The Danube Basin*, p. 148) that the signal failure of Rumania either to achieve eq-

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656 457 To the protective tariffs, which were greatly increased in the 1930's, was added the system of import quotas and restrictions, plus a 12 per cent tax for all imports. Together these provided a high protective wall for the development of the national industry. Their effectiveness is shown by the fact that between 1933 and 1938 the percentage of imports of manufactured and semimanufactured goods dropped markedly, whereas that of machines and raw materials rose sharply.[31]

Protection alone, however, was not the only device employed to aid the expansion of industry; other forms of assistance included exemptions from taxation, state subsidies, special transport rates, the obligatory use of certain locally produced goods, and monopolies granted to industries considered nationally desirable.

652 Since the inflow of new foreign capital stopped during the depression, the supply of capital for industry had to come largely from internal sources. In part this was achieved through the tariffs, which diverted purchases toward local industry, and by the increasing state expenditures for armaments, which amounted to a tax on the public. In 1934 a 12 per cent tax on the construction of new buildings was imposed in an effort to divert investment toward industry and away from nonproductive expenditures. To a considerable extent the foreign funds frozen in Rumania at the time of the depression were subsequently employed in industrialization.[32]

The political implications of this economic policy—which was by no means a plan but rather the result of the depression and the deepening international tensions plus the steady pressure of interested industrial groups—were very similar to those observed above in the

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rency stability or a price equilibrium, despite the relatively favorable balance of trade and rich resources, may be laid to bad management and political reasons, to which one could add that in many cases the measures taken were employed for purposes quite different from those for which they were presumably intended.

31. Madgearu, *op. cit.*, p. 232. Madgearu took a selected group of key imports and calculated their volume by percentage as follows:

	In per cent of total imports	
	1929	*1938*
Raw materials	8.96	13.93
Semifabricated	28.01	7.39
Machines	1.27	4.00
Manufactured goods	13.69	8.24

32. Oscar Jaszi, "The Economic Crisis in the Danubian States," *Social Research* (February, 1935), pp. 99–118, attributed a major role to captive capital in the creation of Rumanian industry. According to Madgearu (*op. cit.*, p. 233), foreign credit continued to serve those industries created by international capital, but in his opinion the most important source of industrial credit was the National Bank.

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Liberal party are indicative of the move toward a less inhibited industrial drive.

During the four years, then, between the depression and the inauguration of the Carolist dictatorship, it is possible to find inside Rumania, not to mention the external influences, three quite distinct factors making for the destruction of parliamentary government and the creation of an authoritarian regime:

1) Carol's own personality and his streamlined interpretation of the old-fashioned prerogatives of a monarch;

2) The unrest and growing extremism in broad sections of the population, which was finding a mouthpiece in the Iron Guard;

3) The economic policy of neoliberalism, which not only carried overtones of a more authoritarian state but through the centralization of economic power and control increased the possibilities of creating such a state.

While the general atmosphere of these years of neoliberalism resembled Manoilescu's teachings in its industrial protectionism, increasing economic nationalism, and growing corporatism, there was an important difference: contrary to Manoilescu's thesis, agricultural protection was maintained and extended. During the years 1935 to 1937 there was a complex system of minimum prices, state purchases, and export bounties for wheat. By the law of 1935 the government paid a minimum price of 35,000 lei for 10 metric tons of wheat weighing 75 kilograms per hectoliter. An export premium financed by a tax on milling, paid 10,000 lei per ten-ton truckload of wheat, and 12,000 lei per truckload of flour. This premium was dropped with the rise in agricultural prices but was reapplied in 1938. A Wheat Valorization Office was formed to supervise these payments and to improve the quality of wheat. Similar steps were taken for medicinal plants, textile plants, and wool.

In 1936 Rumania signed a series of wheat export agreements with Belgium, the Netherlands, Greece, Italy, Germany, the United Kingdom, and other states. Foreign trade in grains was also assisted by an extremely complicated system of taxing imports to pay for export bounties and permitting the exporter to keep a portion of the free exchange obtained by his exports. In general these measures, which were aimed at maintaining the commercial balance, had a beneficial effect in supporting the price of agricultural products and in increasing exports. Between 1934 and 1937 agricultural prices rose from 44.1 (1929 = 100) to 64.6; the value of agricultural production increased from 48 to 62 billion lei; the value of cereal exports rose

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241 as 1910 Dobrogeanu-Gherea had some harsh words to say of the
433 men who thought it could magically solve the deep-rooted ills of Ru-
654 manian agriculture.[36]

The Tătărescu government, following precedent, also reorganized agricultural credit and the cooperative system, set up more experimental stations, and devoted funds to the raising of better livestock and the purchase of tractors, but those measures seem to have been only of marginal benefit.

423 The government did try in the law of March, 1937, for the encouragement of agriculture to grapple with the problem of land tenure. It regulated the transfer and mortgage of rural lands and undertook to enforce the indivisibility of property as a means of preventing the progressive subdivision of peasant holdings. The effort was unsuccessful. The two-hectare minimum, which in any case was too small for a self-subsistent holding, was not observed; the prohibition extended only to properties obtained from the state or with the state's assistance. An attempt was also made to promote the consolidation of peasant properties, but this met with too great opposition in the chamber and was dropped.[37] The government also exerted its right of preemption on sales of agricultural land for the purpose of providing land for the peasants but its achievements were insignificant. Between April 1, 1934, and August 1, 1938, of the 326,200 hectares put on sale the government used its right of preemption on only 12,250 hectares, 3.8 per cent of the total.[38]

241 In brief, if the position of agriculture was somewhat better in the
654 years of the Tătărescu regime than in the depression it was largely
● 656 a consequence of general economic recovery. Agriculture did benefit from the protective measures applied and extended by the government, although part of these benefits was lost by the continued depreciation of the leu, and some efforts were made to raise the level of agriculture and diversify production. Nevertheless, the government's chief interest was industry and commerce and the principal benefits to agriculture were those which corresponded to this interest. The desperate problem of the millions of small peasants owning less than 3 hectares, unable to support themselves and their families, dividing their land into smaller and smaller fragments, suffering from pellagra —this problem was scarcely touched.

654 It must be said, however, that in the 1930's there was a notable
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36. C. Dobrogeanu-Gherea, *Neoiobăgia*, p. 284.

37. Valeriu Bulgaria, "Dezbilăluirea proprietăți [Arăzești]," *Problema agrară* (Bucarest, 1946), pp. 77–97.

38. G. Ionescu-Sisești, "Le Nouvel Aspect du problème agraire en Roumanie," *Revue pour la science et la réforme sociales*, 58, Nos. 1–4 (1942), 284.

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manian peasant,[17] under his dictatorship the overriding concerns were mobilizing agriculture for the war, compensating for the lost territories (though part of these were regained after 1941), and maintaining production against the drain on manpower and the requisitioning of equipment and livestock for military purposes. The majority of acts were specific war measures: price controls, export controls, laws against agricultural sabotage and speculation, control of livestock, state requisitioning of cereals, crop planning, and the mobilization of agricultural labor. Most of the measures had been initiated in Carol's reign under the trade agreement with Germany and the five-year plan for agriculture, but the war intensified them and put them on a directly military footing. By necessity there was an increase in the mobilization of agricultural labor. Field commandos and labor gangs were sent about the country under the supervision of gendarmes and rural agents of the Ministry of Agriculture.

An attempt was made to compensate for the shortage of manpower and livestock by increasing agricultural equipment, largely through import from Germany. If the figures are to be trusted imports in 1941 and 1942 were quite extensive:[18]

	1941	*1942*
Tractors with ploughs	1,000	2,814
Animal-drawn ploughs	20,000	40,000
Sowing drills	4,000	1,400
Harvesters	2,000	2,230
Hoes	10,000	30,000
Harrows	4,000	9,200
Threshers	200	250

By a law of June 22, 1942, for the organization of agricultural associations, the government attempted to overcome the disadvantages of small strip farming by means reminiscent of the Iorga law of 1931. By this act a group of at least fifteen cultivators residing in the same commune could constitute an agricultural association, authorized to purchase farm machinery, seeds, fertilizers, etc., sell produce in common, purchase or lease land, and obtain credit. The association was not an independent body however. It was to be man-

17. According to an admiring German biography, Antonescu first attracted attention during the 1907 uprising when, as a young lieutenant, he succeeded, without firing a shot, in persuading a crowd of rebellious peasants to disband.

18. Brief accounts of the measures undertaken up to 1943 are given by N. D. Cornăţeanu, "International Chronicle of Agriculture: Rumania," *International Review of Agriculture*, *33* (Rome, July–August, 1941), 267E–284E; and *34* (April, 1943), 136E–146E.

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aged by five trustees; the Ministry of Agriculture was to supervise its business transactions, and technical and administrative control lay in the hands of the chief of the agricultural district. Members were obliged to conform to the requirements of the government crop plan. It was reported in 1944 that about 200 such associations had been established.[19]

This law did not really represent anything new in Rumania but was merely one of the various measures which had been applied from time to time to overcome the agrarian impasse. It represents, however, a somewhat different approach from that emphasized by either the National Peasants or the Carolist dictatorship. The National Peasants had placed greatest stress upon credit, cooperatives, and diversification of production, with a view to creating the small peasant on the Western model. The Carolist regime, in its activities of 1938 and 1939, was aiming at consolidation and the creation of middle properties. The law of 1942 was an attempt to improve the situation on the basis of existing circumstances, of utilizing in the most efficient way possible the uneconomic system of land holdings. To be sure, all the approaches overlapped somewhat, but in a way the 1942 act was a bridge to the agricultural policy of the post-1945 government.

The Germans, for their own reasons, were anxious to develop Rumanian agriculture as part of the economy of the new order, although their estimate of what could be achieved in Rumanian agriculture was relatively modest. A wartime analysis by some German experts[20] presented a very dismal picture of Rumanian farming as of 1940. According to their report the principal difficulties lay in the low yield resulting from the small size of the majority of the holdings (they noted that most of the large properties were cultivated in metayage) and in the inadequacy of the transport system, both the general network and the village roads. They doubted whether agriculture itself

19. Otto von Franges, "Agricultural Labour Communities in South Eastern Europe," *International Review of Agriculture, 35* (January–February, 1944), 22E–32E. Von Franges was heartily in favor of these associations, of which similar types had been established in Bulgaria and Yugoslavia. In his opinion they corresponded to traditional labor associations of the Balkan peasants and showed an admirable balance between individualism and collectivism, between control and liberty. He sharply contrasted these associations with agricultural cooperatives. The latter, while having a useful function, were obliged to neglect the poorer peasant. The associations, he felt, were the only possible compensation for the fragmentation of peasant properties and the only means of obtaining a decent improvement of productivity until the slow process of consolidation could take place.

20. H. L. Fensch and O. Thiel, *Rumänien, Untersuchung über die Betriebs- und Ernährungswirtschaftlichen Verhältnisse der Landwirtschaft.* (I have seen only a manuscript Rumanian translation of this study.)

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culture is growing apace." [32] Nevertheless, in the spring of 1948 Gheorghiu-Dej was denying rumors that the land would be taken back from the peasants, and a decree in March permitted peasants possessing more land than they could till to employ day laborers.[34]

By the summer, however, the government was emphasizing the need of "sharpening the class struggle in the countryside, organizing agricultural laborers, and fighting the rich peasant." It introduced progressive scales of taxation and forced grain delivery aimed at preventing accumulation of grain or wealth by kulak or estate owner and ultimately undermining their economic position. It set up "village information offices" with instructions to "unmask all the dishonest kulaks and inform the farmers of their duties."

On March 2, 1949, the regime, on the simple sweeping charge of sabotage and failure to comply with regulations, seized the land, livestock, and inventory which had been left to the large landowners under the 1945 reform. In this action, carried out abruptly and without prior notification, some 17,000 families were evicted from their homes at night and sent to various resettlement areas. The government now directed all its energies against the rich peasants.[35] Lenin's dictum that "Small-scale exploitation generates capitalism and the bourgeoisie constantly, daily, hourly, in an elemental way, and on a mass scale," again made its appearance and became the leitmotiv for innumerable articles.

Embroidering on this theme, Gheorghiu-Dej marked out the party line for 1949. In 1945 the landlords had been liquidated as a class, but this act fostered small-scale economic activity in agriculture. "It follows that the complete victory of socialism is impossible so long as private property in the means of production, in the towns and in the countryside, including private property in land, continues to exist." The Communist party, therefore, had a number of important

32. *East Europe* (February 18, 1948).
34. *Ibid.* (April 1, 1948).
35. The distinction between poor, middle, and rich peasant, or kulak, is not based on size of holding or amount of wealth alone and seems to take on different meanings under different political circumstances. In simplest terms, the rich peasant is one who hires labor or charges rent for machinery and equipment; the middle peasant uses only family labor but produces enough, or more than enough, to support his household; the poor peasant is unable to support himself on his holding and is on the verge of drifting into the agricultural proletariat. In 1941, 12 per cent of the land in Rumania was farmed solely by paid labor, and 21.8 per cent by a mixture of paid and family labor. The first category, in the main, represented the properties of estate owners, the second the holdings of the richer peasants. In 1948, according to Gheorghiu-Dej, 37 per cent of the rural population belonged to the small peasantry and 33 per cent to the middle peasantry.

241

*Production of Principal Crops**
Average 1935-38
('000 *metric tons*)

Wheat ..	3,677
Rye	436
Barley	1,071
Oats	604
Maize	5,215
Potatoes ..	2,010
Sugar beet† ..	570
Peas	45
Beans	230
Tobacco ..	12
Sunflower seed	277
Soya beans ..	42
Rape seed ..	46

* Pre 1939 frontiers.
† This produced 110,000 m. tons of raw sugar.

4. Livestock

231 One of the chief weaknesses of Rumanian agriculture is the low density of livestock. Numbers of cattle per 100 acres of farm land are less than half those of this country and Germany; about half the farms possess no cows. A large proportion of the cattle, moreover, are draught animals which require land to feed them but which yield little saleable produce. Moreover, the annual milk [234] yield per cow averages less than 1,350 litres (300 gallons) as compared with over 700 gallons in Denmark.

Of pigs, the numbers and quality compare even less favourably with those of other countries. Only in the Banat district is there an approach to an interlocking of grain production with pig-raising. Sheep are an important source of income to the peasants of the Transylvanian mountains, a region where water buffaloes are kept as draught animals since they require no sustenance other than a daily cold bath and a few maize stalks.

Livestock numbers in 1938, and the production of livestock products in 1935-38, were as follows:—

*Livestock Numbers**
'000 *head*

Horses	2,158
Cattle	4,161
(including cows)	(2,030)
Buffaloes ..	165
Sheep	12,768
Goats	399
Pigs	3,165
Poultry ..	34,666

* Pre-1939 frontiers.

*Production of Livestock Products**
Average 1935-38
('000 *metric tons*)

[234]

Milk‡	3,000
Butter	20
Cheese	30
Beef and veal ..	120
Mutton and lamb	20
Pork	152
Poultry meat ..	60

* Pre-1939 frontiers.
‡ Cows, buffaloes, sheep and goats.

5. Fish

228 All fishing along the Danube, including the mouths of the delta, and along the western shores [656] of the Black Sea coast, is controlled by the State Fisheries Administration. The total annual catch in State-owned waters averaged 15,000 tons in the years immediately preceding the war, of which fresh-water fish contributed more than two-thirds. This does not, however, represent the total catch, as fairly large quantities were caught

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228 in private waters. Supplemented by some 4,000 tons of imported fish, this provided nearly 1 kg. (2·2 lb.) per head of population, but, in fact, almost all the fish was consumed by the 5 million persons living in towns. The principal fish caught were sturgeon, carp, pike, eels and crayfish, the main fishing centres being Brăila, Tulcea and Ismail.

6. Food Industries

256 The chief food and agricultural-processing industries are milling, sugar manufacture, oilseed crushing and tobacco curing. While the milling industry was dispersed widely about the country in more than 15,000 small mills employing altogether over 37,000 persons (at 1930 census), the sugar industry was for the most part concentrated in the plain of the Old Kingdom. Of the 27 sugar 257 factories employing 10,000 workers, only one was in the Transylvanian districts lost to Hungary and five in the areas temporarily lost to the U.S.S.R. 258 The vegetable-oil industry, located chiefly in Bessarabia, was only partly carried on in factories, of which there were (on January 1st, 1939) 117, employing 2,028 workers. Among these, 34 were fitted both to extract crude oil and to refine it, six were exclusively refineries, while the remainder produced only crude oil. The rest of the industry consisted of some 2,000 hand, or animal-driven presses mostly owned by individual peasants or by shopkeepers. These primitive presses extracted only a low percentage of oil from the seeds, and consequently the cake—mainly sold for export—had an unusually high oil content. As regards 277 tobacco, both curing and cigarette manufacture [656] were subject to government licence and control. There were 29 factories (in 1930) employing 9,720 workers, but tobacco cultivation subsequently declined, so also doubtless did the numbers employed.

7. Agricultural Organisation

452 The history of the organisation of Rumanian 241 farmers is one of not too successful co-operatives 474 becoming transformed more and more into agencies for the execution of Government Control Schemes. [654] For many years there had been throughout the country a network of agricultural credit societies, co-operative in form but in practice directed by the State. These played an important rôle during the period of the Land Reform in helping the peasants by advances to buy and equip their newly acquired holdings. There was even some co-operative cultivation for a time, until the new peasant-owners could muster sufficient draught animals and implements. Besides this, there have been strong local co-operative unions especially among the [162] minority nationalities—the Hungarians in Transylvania, the Swabian and Saxons in the Banat and the Russian and Polish Jews in the Bucovina.

243 The credit societies revived in importance when, 474 after 1933, the Rumanian Government began the 452 organisation of grain marketing. They became 654 the local agents of a Central Marketing Board through which all sales of grain had to be made both for home consumption and for export. Whereas formerly grain prices slumped immediately after the harvest, most peasants, being obliged to sell their grain quickly, under the new scheme prices were stabilised throughout the year, and this brought a great improvement to peasants' [651] receipts. But the scheme and the societies were also used to collect the peasants' taxes (paid in grain) which did not increase the popularity of co-operation.

CHAPTER I

722 more than half the normal, but the efforts in 1943
[244] to recover to a more average crop may have succeeded.

3. Fish

[208] The general food shortage in Rumania gave a great fillip to the fishing industry. In the 12 months April 1942 to March 1943, some 40,000 tons of fish were caught in State waters besides 13,000 tons in rented and private waters. This is almost double the largest pre-war catch. During 1942 some 6,000 tons were salted down for winter use. In order to promote and introduce better organisation into the fishing industry a German-Rumanian Company has been established, the "Marea-Neagră," which will devote special attention to developing the Black Sea fisheries.

4. Agricultural Exports

439 The pre-war level of grain exports was well
243 maintained in 1939; wheat in particular was preminent with over a million tons. The exports of 1940, however, showed an immediate reflection of territorial changes and war shortages. Total grain exports in that year barely reached a million tons compared with the pre-war average of about 1·6 million tons. The following year showed a still sharper decline, wheat reaching only 5,000 tons and maize 120,000 tons. In 1942, despite the recovery of Bessarabia, it is most unlikely that even this level was maintained.

439 Oilseed exports, despite direct German interven-
249 tion aiming at an expansion of the crop, also fell below pre-war levels. Sunflower-seed exports, the principal oilseed, fell from an average of 30,000 tons in 1935-38 to 12,000 tons in 1940 and to 5,000 tons in 1941. Exports following the 1942 crop, though probably better, were not at all commensurate with the increased production, for a serious shortage of edible oil and fat had meanwhile developed in Rumania owing to decreased supplies of pig fat and to the retention by the peasants of their seed for consumption at home, or for disposal on the Black Market.

5. Administrative Control

241 Not even the most complete and efficient system
● 656 of administrative control could have assured the country's food supplies and exports at normal
435 levels during these three unfavourable years, but it is clear that Rumania's food difficulties have been aggravated by mistakes in economic policy and inadequate control measures. Bureaucratic methods of handling the peasants aroused antagonism and resistance. Supplies of tested seed and other farm requisites were not made available in time. On the collection and supply side, too much power was left in the hands of local prefects. But the most serious shortcoming of the official administration was the failure to establish a price control, and an appropriate relationship between agricultural prices and the cost of the things farmers buy. (In the absence of effective discipline this ratio needs to be strongly in the producers' favour if production and marketing of foodstuffs is to be maintained.) Prices of consumers' goods rose rapidly, owing to shortages, while the Government pegged the prices of farm produce at comparatively low levels. Consequently, the peasants curtailed production and sought better prices by selling much of their produce through Black Market channels. The mistake was officially admitted in the autumn of 1942 when grain prices were more than doubled, but the position still remained unfavourable to

241 the peasants and the reduced 1942 sowings both
656 of grain and of sugar-beet indicated continued
435 dissatisfaction. Finally, by the spring of 1943 a wider ratio was reached, agricultural prices being four times as high as in 1939 and wholesale prices in general three and a half times as high. Nevertheless, this very considerable measure of inflation [458] has shaken public confidence in the value of money so that peasants increasingly resort to barter transactions.

[655] In the hope of obtaining better control over grain supplies the Government in the autumn of 1941 nationalised the grain trade, later they relaxed this to the extent of leaving the export business to a few selected firms and the internal collection to the Army and to the National Institute of Co-operation. This body handled the pre-war grain marketing scheme, and their [563] activities—because of the expulsion of Jews from wholesale and retail trade—have recently developed rapidly in the supply of seeds to peasants (80,000 tons of seed distributed in 1942) as well as consumers' goods to peasants and townspeople. But it still proved difficult to extract enough food from the peasants to feed the towns. For the 1943 harvest detailed regulations were made concerning the quantities the peasant might keep for seed, for his family and for his animals, and threshing operations were subjected to inspection. Yet these rules could not in practice be administered.

423 It is now generally agreed in Rumania that the
471 smallness of the holdings has been a principal obstacle to effective organisation of agriculture in war-time, and that a change to larger units of production is needed. Any approach to collectivisation on the Soviet model, however, would be regarded as contradictory to the land reform policy and a threat to the Rumanian State. The official policy, though it has not yet taken its final form, is to maintain private property but to proceed no further with expropriation and division of large estates, and to maintain existing medium holdings by prohibiting their sub-division for inheritance or other reasons. Schemes for the consolidation of strips are also contemplated for a more opportune moment. Further, in order to 474 increase production and to improve the peasants' methods and standards of life, communal farming associations, known as *obştii*, are to be formed. In these associations, farming equipment is to be pooled so that the small-holder would have the same resources as the large farmer. Each *obştie* is to embrace a village and perform all the functions of a co-operative, including joint purchase and sale, use of breeding animals, processing of crops, etc. Villages which are prepared to form themselves into *obştii* and to undertake to work the land according to State directions, are promised tractors, seed and breeding stock without payment. In this way it is hoped that some of the advantages of collectivisation may be achieved while retaining those of individual ownership. But, unless accompanied by far-reaching industrial development, the plan can but aggravate rural unemployment. It is not known how this innovation has been received by the peasants. It was reported in April 1943 that 270 of these communal associations had been formed—an insignificant number—and it is believed that the Government is allocating to them some of the tractors imported from Germany in the war years.*

241 The success of the *obştii* plan, and indeed of any plan for up-grading Rumanian agriculture, depends

* In June, 1943, a temporary ban was placed on the formation of any new *obştie*, because there was insufficient agricultural machinery to supply to them.

248 439 Paper, and paper mixed with hemp, are now used to substitute jute.

Although a comparatively large producer of soft hemp, Rumania normally needed to import about 2,300 tons of other hemps for special purposes, and the sources of these imports have been severed since her entry into the war.

Comparatively negligible amounts of coir were also imported in peacetime.

288 291 434 8. Clothes Rationing

Unlike almost all other Enemy and Occupied countries, Rumania possesses no official clothes-ration card, although purchases are restricted to a specific number of garments per year. Since 1940 the Government, anxious to avoid the necessity for a card rationing system, has adopted various means in an endeavour to overcome the shortage of textiles, particularly of cotton and wool.

Standardisation of fabrics and fixed prices were introduced in 1940, but clothing of standardised material was frequently unobtainable since the price did not leave the retailer a profit.

Army demands soon called for a great increase in clothing production, thereby reducing the stocks and greatly raising prices of civilian clothing—those for overcoats rose by 300 per cent. and for knitted goods by 400 per cent.—and the difficulty of importing raw materials soon reacted on the industry, so that by 1941 the textile shortage, particularly of bed linen, had become serious. Later in the same year, the Ministry of Supply blocked the sale of all semi-manufactured or manufactured blankets.

Early in 1942 the Government requested the public to purchase only necessities, ordering the industry at the same time to use cotton allocations for the manufacture of standardised bed linen and clothing only. Later in 1942 it was decreed that the annual allotment of garments per head of the population was two suits ... frocks, one overcoat, three shirts, 12 handkerchiefs, three pairs of socks or stockings, one sheet, three towels. The sale of standard cloth was restricted to three metres per person per annum. For this arrangement, however, clothing coupons were not issued and purchasers were requested to produce their identity cards and a signed certificate of need if the purchase exceeded 300 lei.

291 435 Non-standard articles are still obtainable, but their exorbitant prices make them accessible to a limited section of the public only. Retailers are known to have refused the sale of standard cloth even when displayed, in order to secure, if possible, the higher profit margin for non-standard goods.

[565] The members of the public most severely affected by clothing shortage and high prices are industrial workers and the poorer urban population. Though the large firms are supposed by law to supply their employees with clothing (as well as food) at cheap prices, it is thought that this is not being widely practised.

Prices of all materials for men's garments have risen to such an extent that people cannot afford to buy even such goods as are available in the shops.

248 656 To counteract shortage of clothing fibres, peasants are being encouraged by the Government to increase cultivation of flax and hemp for production of the rough cloth suitable for peasant clothing.

313 Present fellings are not known, but a considerable shortage of forest workers and draught animals, coupled with poor transport conditions generally, are making it impossible to fell and to distribute sufficient timber to meet all home demands. These have been considerably increased by the need for timber for military purposes both in the country and at the front, and for reconstruction work in the war-damaged areas of Bessarabia, Bucovina and Transnistria. The result is a heavy and at times serious shortage of supplies.

[439] Exports, which had already fallen to about 360,000 cubic metres in 1940, further declined after the loss of Transylvania and were only some 210,000 cubic metres in 1941, but of these about 180,000 cubic metres were old accumulated stocks of sawn goods which were sold to Germany and the U.S.S.R. at the beginning of that year. No information has yet been received concerning 1942 exports, but the increasing difficulties of production make it unlikely that these were of any importance, and probably did not exceed 50,000 cubic metres.

●[656] The forests are now placed under Government control and many decrees have been published regulating and defining the quantities and dimensions of trees that may be felled. Maximum prices have been fixed for all classes of timber, and a strict rationing of firewood introduced, whilst in 1942 an export embargo was placed on several categories of timber, principally soft woods.

After the cession of Northern Transylvania, German forestry experts visited the country to advise on proper forestry methods, and although there is no real evidence of what was decided, there are indications that the country is now more forestry-minded, and that more regard is being paid to reafforestation and other necessary work. These are, however, long-term policies and can have very little immediate effect or improvement on the country's present difficult situation.

TABLES

1. Details of Cut and Ownership, 1938

[423]

	State	*Communes*	*Private*	*Total*
Timber	(*in '000 solid cubic metres*)			
Conifers ..	570	2,450	2,850	5,870
Beech ..	1,080	300	480	1,860
Oak, etc. ..	350	390	520	1,260
Firewood ..	2,820	2,130	6,930	11,880
Total ..	4,820	5,270	10,780	20,870

2. Distribution of Timber Industry, 1938

	Units	*Personnel*
Total timber industry ..	713	43,326
of which :		
Sawmills	478	37,693
Distribution of total timber industry by administrative regions :—		
Olt	18	1,756
Bucegi	159	7,177
Mures	3	38
Dunarea de Jos ..	29	932
Nistru	3	109
Prut	67	6,222
Suceava	110	6,535
Mures	135	9,190
Somes	83	7,163
Timis	86	4,178

282 cattle hides collected in September, October and November, 1941, were for this purpose. The remaining 32 per cent., plus the horsehides, pigskins and goatskins, could be used for civilian purposes. The result was that very soon insufficient sole leather was available for civilians, and repairs to footwear became difficult.

282 At present 80 per cent. of the cattle hides
456 weighing over 16 kilos (35 lb.), and 20 per cent. of the hides weighing less than 16 kilos, are reserved for the Army. This leaves the civilians very short of sole leather, normally manufactured from heavy hides.

At the end of 1941, the Ministry of Supply ordered the registration of all leather stocks, and thereafter leather could not be sold without a permit. The entire purchasing and control of raw hides and skins and also the distribution of leather was placed in the hands of the "ORAP" (*Oficiul Romîn de Aprovizionare şi Distribuire a Produselor de Pielărie*).

In the autumn of 1941 private dealings in sheep- and lambskins were forbidden, the Army Supply Minister having sole right of disposal. Owing to the comparatively important domestic output such a measure should not have been necessary, but was due to the Rumanian, and probably German, demands for warm clothing on the Russian front. Evidence received in 1942 shows that 80 per cent. of the skins are now reserved for the Army.

In July, 1942, leather transmission-belting, etc., was brought under control and made subject to certain restrictions.

295 Civilian rationing of footwear was introduced
434 early in 1942 and new shoes could be sold only against permits issued to persons declaring possession of only one other pair of serviceable shoes. Repair cards were also issued. Requisition cards for new shoes are limited to one a year, and repair cards to one every four months. Children under 14 years of age can obtain two requisition cards yearly for new footwear.

The issue of permits does not, however, guarantee footwear supplies, and only about 30 per cent. of repair or purchase demands appear to be met.

The above regulations have been slightly modified from time to time, but remain intrinsically the same. The production of footwear of substitute materials, such as wooden soles, soles of artificial leather, leather waste, buna, etc., has gradually increased.

295 Despite the various government regulations
435 the footwear Black Market flourished, and while the average pre-war price for a pair of men's shoes was 800 lei, in October, 1941, the official prices were fixed at about 1,500 lei for a standard pair of men's shoes and about 1,200 lei for a standard pair of women's shoes. In March, 1942, however, the Black Market price for men's shoes was 7/8,000 lei a pair, and this has now gradually risen to 10/12,000 lei. Complete soleing and heeling of men's footwear costs 1,250 lei officially, and women's 1,000 lei. The official price of soleing leather is 530 lei per kilo, whereas the Black Market price is 34,000 lei.

2. Tanning Materials

282 Before the war Rumania never made use of her
439 own barks for tanning, as it was more economical to import extracts from overseas. During the war she has made attempts to employ her oak, chestnut, spruce and pine barks for tanning materials, but

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without much success, and has therefore reverted to her former practice of importing them.

In February 1942 it was reported that with imports from Italy, Turkey and Croatia, Rumania had an eight months' supply in hand.

Under the 1942/43 Italo-Rumanian agreement, Italy is providing her with 1,750 tons of chestnut extract, 1,000 tons of sumach and 735 tons of other materials. Turkey also agreed to supply her in 1942 with 1,000 tons of valex and 2,500 tons of valonea.

D. BUILDING MATERIALS AND CEMENT

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The building materials industry in Rumania is on a small scale and not highly mechanised employing a total of 16,000 workers in 1937, while the value of production in that year amounted to 1·6 milliard lei, about 2½ per cent. of total industrial production. In the decade before the war, cement, which is the most important branch of this industry, had a steadily increased output reaching in 1939 a total of 531,000 tons, with an 800,000 ton capacity. Small quantities had to be imported.

The most important cement firms are at Cernavodă, Turda, Dudești, and Fieni. Since the war, due to limited building activity, consumption of cement has decreased, and was reported to have been 314,000 tons for the first ten months of 1942 the bulk of which was used for military requirements.

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After the recapture of Northern Bucovina and Bessarabia in mid-1941, a considerable amount of repair work had to be undertaken as a result of war destruction; but at the beginning of 1943 due to raw material and labour shortage, all further reconstruction in these two provinces was forbidden. Later, in February, 1943, a decree

339 [656] came into force forbidding construction throughout the country for the duration of the war of private buildings requiring either iron, steel girders, sheet-iron or other sheet-metal roofing.

In 1942 production of bricks and tiles was reported to have been sufficient to meet the reduced requirements. During the war period there have been considerable exports of asphalt and tarred board for roofing, the latter mainly to Italy. [439]

E. GLASS

323 The glass industry employed 6,600 workers in 1937 in 19 glass factories and 20 glassware factories, the most important of which were the Vitrometan Fabrica de Sticlarie S.A. of Mediaş and the Fabrica de Sticlarie Turda S.A. of Turda, both producing sheet-glass and hollow-ware.

Production did not cover the requirements of specialised types, which were imported from Germany and Czechoslovakia. During the war period window-pane production has been adequate for requirements and small quantities have been manufactured for Germany; while under the 1942 Turco-Rumanian Trade Agreement Rumania agreed to supply both window-panes and glassware.

F. CERAMICS

The ceramic industry employed 1,600 workers in 1937 in 33 factories, and the value of production was 212 million lei. Most of the raw materials for this industry are found in the country, and there has been no difficulty in supplying these during the war period. Apart from the mechanised industry, ceramics are produced in normal times on a comparatively large scale by the peasants. The principal factories are the Nitrogen S.A. in Tărnăveni, the Crinul S.A. in Timişoara and the Uzinele Ceramice S.A. in Ploeşti.

505 439 trade is carried on the Danube to European markets, Germany in particular, and, with the exception of an exceedingly limited traffic with Turkey, and a few intermittent shipments of oil to enemy ports in the Aegean Sea, Rumania's foreign sea-borne trade has been brought virtually to a standstill.

In addition to traffic in the Black Sea with U.S.S.R., Bulgarian and Turkish ports, Rumania in pre-war days had important commercial relations with most European and other countries overseas, the trade routes being via the Dardanelles, Mediterranean, Suez Canal and the Straits of Gibraltar.

2. Mercantile Marine

505 [152] All merchant-shipping activities are controlled by the Ministry of Air and Marine. Rumania's ocean-going mercantile marine in 1939 was constituted as follows:—

		G.R.T.
6	cargo and passenger motor vessels	27,061
16	cargo steamers	67,103
3	steam tankers	14,737
25	Total	108,901

[155] Of the 19 cargo steamers and tankers, 11 were oil-fired and 8 coal burners. Fourteen of these vessels were owned by the Rumanian State Maritime Service (*Servicial Maritim Roman*), the principal shipping company in Rumania, whilst the three tankers belonged to the Steaua Romana Petroleum Company of Bucarest. The remainder were privately owned.

[418] Consequent upon her entry into the war Rumania's mercantile marine came under Axis control and most of her vessels are trading for German and Italian account, partly in the Adriatic and Aegean, and partly in the Black Sea.

A statement of Rumania's estimated non-tanker merchant-shipping resources on the 30th April, 1943, follows:—

ESTIMATED RUMANIAN MERCANTILE MARINE RESOURCES (NON-TANKER) UNDER AXIS CONTROL IN THE MEDITERRANEAN AND BLACK SEA AT 30TH APRIL, 1943.

Tonnage Category	*No. of Vessels*	*Total G.R.T.*
100/499	3	578
500/999	—	—
1,000	2	2,798
2,000	2	4,946
3,000	3	10,170
4,000	—	—
5,000	2	11,395
6,000	3	20,220
Aggregate ..	15	50,147

[724] As to her tanker tonnage, two vessels aggregating 11,705 G.R.T. were seized and are now in Allied service, whilst the third, of 3,032 G.R.T., was sunk in December, 1941, in the Aegean Sea.

3. Ports

504 The chief ports for sea-going vessels are Constanța on the Black Sea and Brăila and Galați on the Danube, which both handle river shipping as well.

[426]

133 trained pilots is compulsory, while the large town
502 have to be broken up into smaller units. This sector of the Danube cannot be negotiated at night, which constitutes an enormous hindrance for large-scale traffic. In order to speed up the traffic, the use of suspension railways and locomotives on rails laid along the river bank was introduced before the war, but the system has met with only moderate success.

[503] Navigation in the Maritime sector of the Danube is affected by silting up—particularly in the autumn—and constant dredging has to be carried out in the Sulina branch to maintain sufficient depth for passage of vessels up to Galaţi. The depth of this sector was 24 ft. in 1939, permitting the entry of vessels of medium draught only. Danube navigation is held up for varying periods between November and March by ice, averaging 30-50 days, and occasionally even for 90 days.

499 There are no permanent bridges on the Danube to connect Rumania with Bulgaria. However, a Rumanian-Bulgarian Commission was established in 1942 to remedy this deficiency by arranging for the construction of a bridge, which will take five years to complete, between Giurgiu and Ruse. In the meantime a ferry system is in use between Giurgiu and Ruse carrying important supplies of oil for the German forces in Greece.

3. River Ports

503 There are in all some 38 river ports, of which the
504 most important, all on the Danube (from west to east), are as follows:—

Moldova	Oltenița
Orșova	Brăila
Turnu Severin	Galați
Giurgiu	Sulina

Since the war started considerable improvements have already been made on the Danube. This is of special significance for, though this waterway is of little use for Rumanian internal traffic, since the closing of the sea route between Rumania and North Germany, it has become vitally important for the carrying of bulky transport. As early as 1940 a scheme for the rationisation of Danube traffic was put into operation, and the installations of Giurgiu, the main Danube port for oil transport, were improved.

To avoid congestion at Giurgiu, the Danube ports of New Moldova and Orșova have been enlarged. Internal traffic has been diverted to Oltenița, which is also used for the unloading of incoming traffic. The construction of new harbour installations is being carried out by a German-Rumania company.

4. Organisation of Inland Water Shipping

505 Rumanian Danube shipping is under State
●656 control, and organisation is carried out by firms which are partly State-owned and partly owned by private individuals. The most important company is the State-owned "N.F.R." (*Navigațiunea Fluvială Română*), and of lesser importance are the privately owned companies "S.R.D." (*S.A.R. de Navigație pe Dunăre*) and "Sind" (*Società Italiana di Navigazione Danubiana*).
[655]

505 All Rumanian shipping companies are members
648 of the Danube Shipping Pool, which is under German supervision, headed by the *Deutsche Donauschiffahrtsgruppe*, which is closely connected with the Hermann Goering-Werke für Binnenschiffahrt. The importance of the Danube Pool (exclusive of the Tanker Pool) will be realised when it is borne in mind that between 1932-1937 the freight carried annually by its vessels on the